BORA LASKIN LAW LIBRARY
3 1761 06095629 9

Supplementary Materials on the Taxation of Partnerships and Corporations

Volume II (Corporate Income)

David G. Duff
Faculty of Law
University of Toronto

2006

Storage

KE
5878
.A7D84
2006
v.2
c.1

Digitized by the Internet Archive
in 2018 with funding from
University of Toronto

BORA LASKIN LAW LIBRARY
JAN - 9 2006
UNIVERSITY OF TORONTO

https://archive.org/details/supplementarymat02duff_3

Table of Contents

Chapter 6
Corporate Tax Rates and Corporate Distributions 225
1. Corporate Tax Rates 225
2. Corporate Distributions 227
(1) Taxable Dividends Received by Resident Individuals 227
(2) Inter-corporate Dividends 232

Chapter 7
Small Business Deduction 239
1. Introduction 239
2. Canadian-Controlled Private Corporation 245
3. Business Limit 277
(1) Definition 277
(2) Associated Corporations 282
(a) Introduction 282
(b) Control by Other Corporation 299
(c) Control by Person or Group Controlling Other Corporation 312
(i) Control by One Person 312
(ii) Control by Group 324
(d) Control by Related Persons or Related Group of Persons 345
(e) Corporations Associated through a Third Corporation 360
(f) Anti-Avoidance Rule 370
4. Active Business Income or Loss 381
(1) Introduction 381
(2) Active Business Carried on by Corporation 381
(a) Introduction 381
(b) Business Carried on by Corporation 391
(c) Specified Investment Business 397
(d) Personal Services Business 409
(3) Income Pertaining to or Incident to Active Business or from Property Used or Held Principally for the Purpose of Gaining or Producing Income from an Active Business 418
(4) Deemed Active Business Income 432
5. Specified Partnership Income or Loss 437
(1) Basic Rules 437
(2) Anti-Avoidance Rule 439

Chapter 8
Investment Income of Private Corporations 454
1. Investment Income 454
2. Refundable Tax on CCPC's Investment Income 469
3. Dividend Refund 471
4. Capital Dividends 473

Chapter 9
Manufacturing and Processing Deduction 491
1. Introduction 491
2. Eligibility 491
(1) Manufacturing and Processing 491
(2) Excluded Activities 499
3. Goods for Sale or Lease 503
4. Computation 521